

# Purpose of Budgeting

## Definition of “Budget”

A budget is a financial plan that includes both revenues and expenditures for a specified period of time. It's a legally binding financial plan.

## Purpose of Budgeting

- Plan
- Establish Priorities
- Communicate

# Outline

- All Funds Budget Summary
- General Fund Unrestricted Balance or Available Cash
- Major Operational Expense Changes
- Debt
- Revenues
- Capital Expenditures

## Future Meetings:

- April 12- Detailed Expenditures
- April 19- CDRA

# FY17 Tentative Budget Summary All Funds



	Revenues & Transfers In	Operating Expenditures & Transfers Out	Capital Expenditures	Total Expenditures	Change in Available Cash
<b>Governmental Funds</b>					
General Fund	\$ 16,076,170	\$ 16,731,333	\$ 1,029,477	\$ 17,760,810	\$ (1,684,640)
CDRA	2,297,398	1,711,923	-	1,711,923	585,475
Debt Service Fund	1,094,150	1,089,526		1,089,526	4,624
Capital Projects	2,124,500		2,929,912	2,929,912	(805,412)
Total Governmental	\$ 21,592,218	\$ 19,532,783	\$ 3,959,389	\$ 23,492,171	\$ (1,899,953)
<b>Enterprise Funds</b>					
Utility Administration	\$ 393,655	\$ 393,655	\$ -	\$ 393,655	\$ -
Water	3,618,500	2,721,081	3,284,813	6,005,894	(2,387,394)
Sewer	3,980,000	3,597,448	2,178,375	5,775,823	(1,795,823)
Storm Water	1,002,320	664,663	2,141,975	2,806,638	(1,804,318)
Garbage & Recycling	1,420,000	1,245,816	860,000	2,105,816	(685,816)
Total Enterprise	\$ 10,414,475	\$ 8,622,663	\$ 8,465,163	\$ 17,087,826	\$ (6,673,351)
<b>Internal Service Funds</b>					
Fleet Fund	\$ 546,550	\$ 543,571	\$ -	\$ 543,571	\$ 2,978
Risk Management	259,465	259,166	-	259,166	299
<b>Permanent Funds</b>					
Cemetery Perpetual Care	10,300	31,500		31,500	(21,200)

# General Fund Balance

- State law allows for General Fund balance in amount equal to 25% of total revenue
- June 2015 Unrestricted Fund Balance=\$4.9mill exceeded 25% by \$1.5 million

Fiscal Year	Unrestricted Fund Balance	% Change	Unrstrctd Fund Bal % of Rev
2010	2,513,081		19%
2011	2,941,736	17%	21%
2012	4,743,391	61%	33%
2013	5,128,757	8%	38%
2014	5,143,488	0%	38%
2015	4,938,411	-4%	36%
2016 Proj	4,255,957	-14%	31%
2017 Proj	2,571,027	-40%	17%

# General Fund Revenues Historic Summary



	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Budget	FY17 Budget	Change from FY16
Taxes	\$8,101,775	\$8,270,312	\$8,684,660	\$8,476,500	\$9,171,000	\$694,500
Licenses & Permits	\$317,440	\$302,674	\$378,247	\$345,950	\$367,300	\$21,350
Inter-Governmental	\$1,228,725	\$1,203,640	\$1,104,525	\$1,245,379	\$1,271,930	\$26,551
Charges for Services	\$2,109,784	\$2,068,317	\$2,139,718	\$2,116,000	\$2,127,000	\$11,000
Fines & Forfeitures	\$801,816	\$727,553	\$655,478	\$682,700	\$671,000	(\$11,700)
Miscellaneous Revenue	\$321,223	\$353,511	\$229,090	\$175,750	\$229,780	\$54,030
Contributions & Transf	\$1,816,201	\$1,942,986	\$2,188,818	\$2,372,047	\$2,187,860	(\$184,187)
<b>General Fund Total Revenue</b>	<b>\$14,696,964</b>	<b>\$14,868,992</b>	<b>\$15,380,536</b>	<b>\$15,414,326</b>	<b>\$16,025,870</b>	<b>\$611,544</b>
Fund Balance Appr.	\$2,637	(\$56,793)	\$26,742	\$682,454	\$1,684,940	\$1,002,486
<b>Total Resources</b>	<b>\$14,699,601</b>	<b>\$14,812,199</b>	<b>\$15,407,278</b>	<b>\$16,096,780</b>	<b>\$17,710,810</b>	<b>\$1,614,030</b>

## General Fund- Unrestricted Fund Balance

GFOA Recommendation –  
Maintain unrestricted fund balance of  
no less than two months of regular  
general fund operating revenues or  
regular general fund operating  
expenditures.

**2 months of operating expense =  
\$2,507,937**

	FY17 Proposed
<b>Sources</b>	
Revenues	\$ 14,862,423
Transfr In	\$ 1,163,747
Transfr from Restricted	<u>\$ 50,000</u>
<b>Total Sources</b>	<b>\$ 16,076,170</b>
<b>Expenditures</b>	
Personnel	\$ 9,118,229
M&S	\$ 4,810,918
Debt	<u>\$ 1,118,477</u>
Total Operating & Debt	\$ 15,047,624
Capital	\$ 784,002
Transfr Out-Cap Ex	\$ 1,684,000
Transfr Out-Fleet	<u>\$ 245,475</u>
Total Capital	\$ 2,713,477
<b>Total Expenditures</b>	<b>\$ 17,761,101</b>
<b>Net</b>	<b>\$ (1,684,931)</b>
Beg Unrestricted Balance	\$ 4,255,958
End Unrestricted Balance	\$ 2,571,027
<b>Unrestrctd % of Revenues</b>	<b><u>17.3%</u></b>



# Personnel Expenditures

- Headcount Changes
  - PW Admin Assistant to FT
  - FT Staff Engineer
  - PT Utility Maintenance Specialist (Street Sweeper)
  - FT Park Maintenance Specialist
  - PT Park Reservations/Restroom Maintenance (temporary)
  - Temporary Park Maintenance Worker \$1/hour increase
- Benefit Increase
  - Medical and dental increase= 5.3%
  - No IHC network
- Compensation
  - 2.5% merit increase
  - \$100k for proposed changes per the compensation analysis
- Travel and Training
  - No new out-of-state travel to training approved

# Outstanding Debt History

Fiscal Year	GO Bond	Revenue Bonds	Enterprise Bonds	Total Debt	Per Capita
2010	\$ 9,290,000	\$ 17,104,000	\$ 2,705,000	\$ 29,333,348	\$ 1,011
2011	8,605,000	15,480,000	2,480,000	26,595,000	883
2012	7,895,000	14,463,000	2,245,000	24,603,000	817
2013	7,160,000	13,580,000	2,000,000	22,740,000	755
2014	6,390,000	12,670,000	1,745,000	20,805,000	685
2015	5,460,700	11,885,000	1,480,000	18,825,700	618
2016	4,535,700	11,075,000	1,205,000	16,815,700	552

% Change '15 to '16	-11%
\$ Change '15 to '16	(2,010,000)



# Debt Retirement

## Five obligations:

### 2005 G.O. Bond

- Refunded in 2014; last payment Feb. 2021

### 2007 Water Revenue

- Last payment May 2020

### 2010 Sales Tax Roads

- Last payment July 2019

### 2003 Sales Tax – CAC

- Last payment July 2017

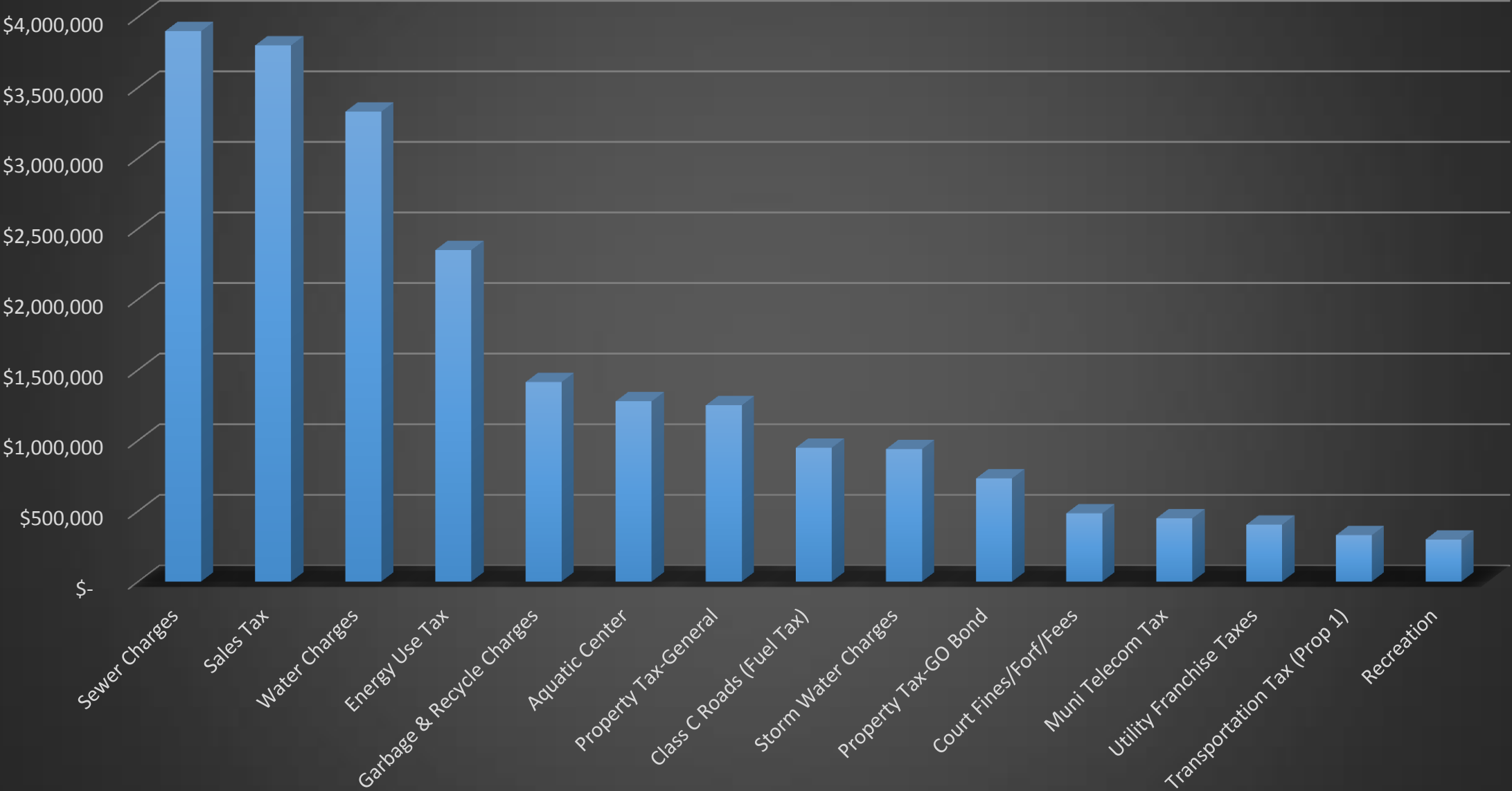
### 2016 Sales Tax – CAC

- Refunding lock in Nov '15, refunding in Apr '16
- Paid off in July 2028

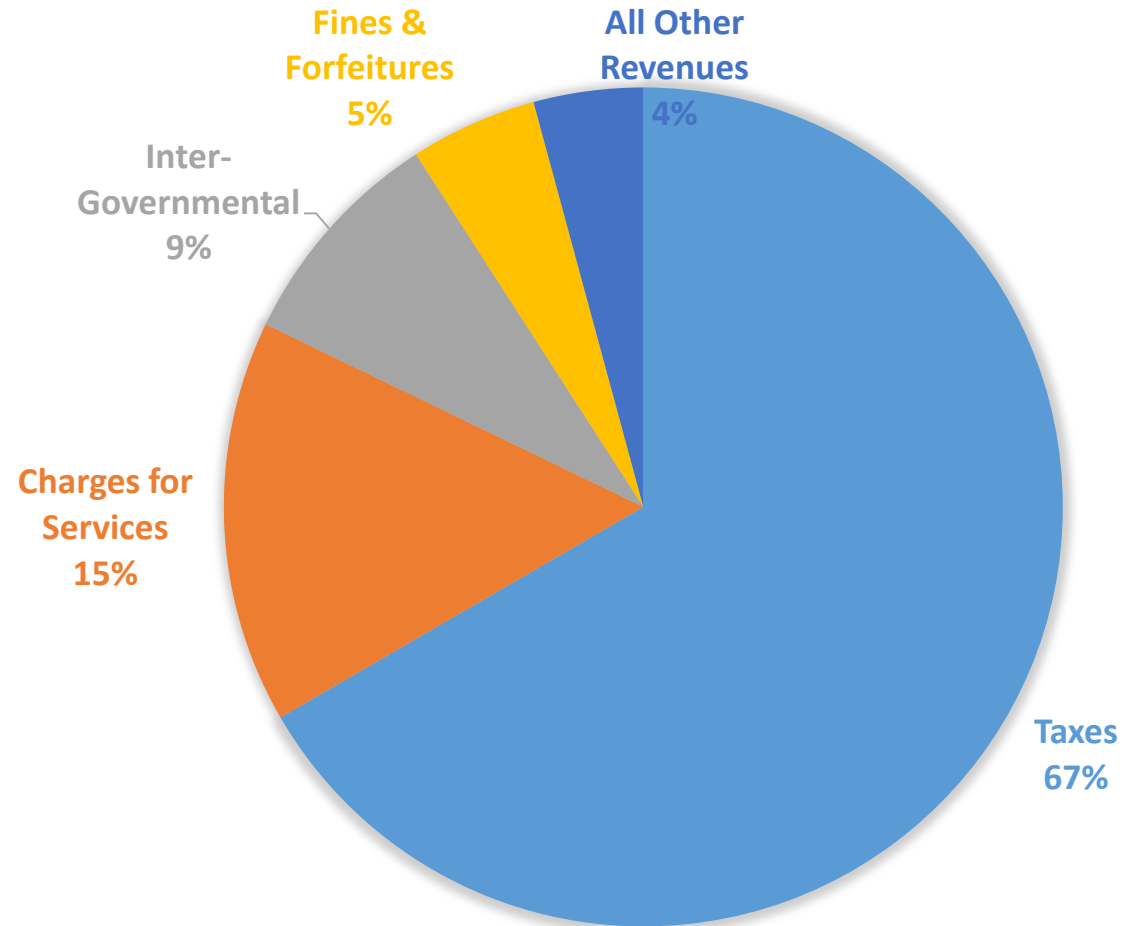
# Debt Ratings

General Obligation (2014 Refund)	Date	Rating
Standard & Poor's	7/31/14	AA / Stable
Sales Tax (2006 Refund)		
Standard & Poor's	9/2/15	AA- / Stable
Fitch Ratings	11/18/14	AA / Stable
Water Revenue 2007 (\$2 M)		
Standard & Poor's	11/6/15	AA / Stable
Fitch Ratings	11/5/15	AA / Stable
Sales Tax Series 2010 (\$2.2 M)		
Standard & Poor's	3/11/10	AA - / Stable
Overall Sales Tax Rating		
Standard & Poor's	3/11/10	AA - / Stable

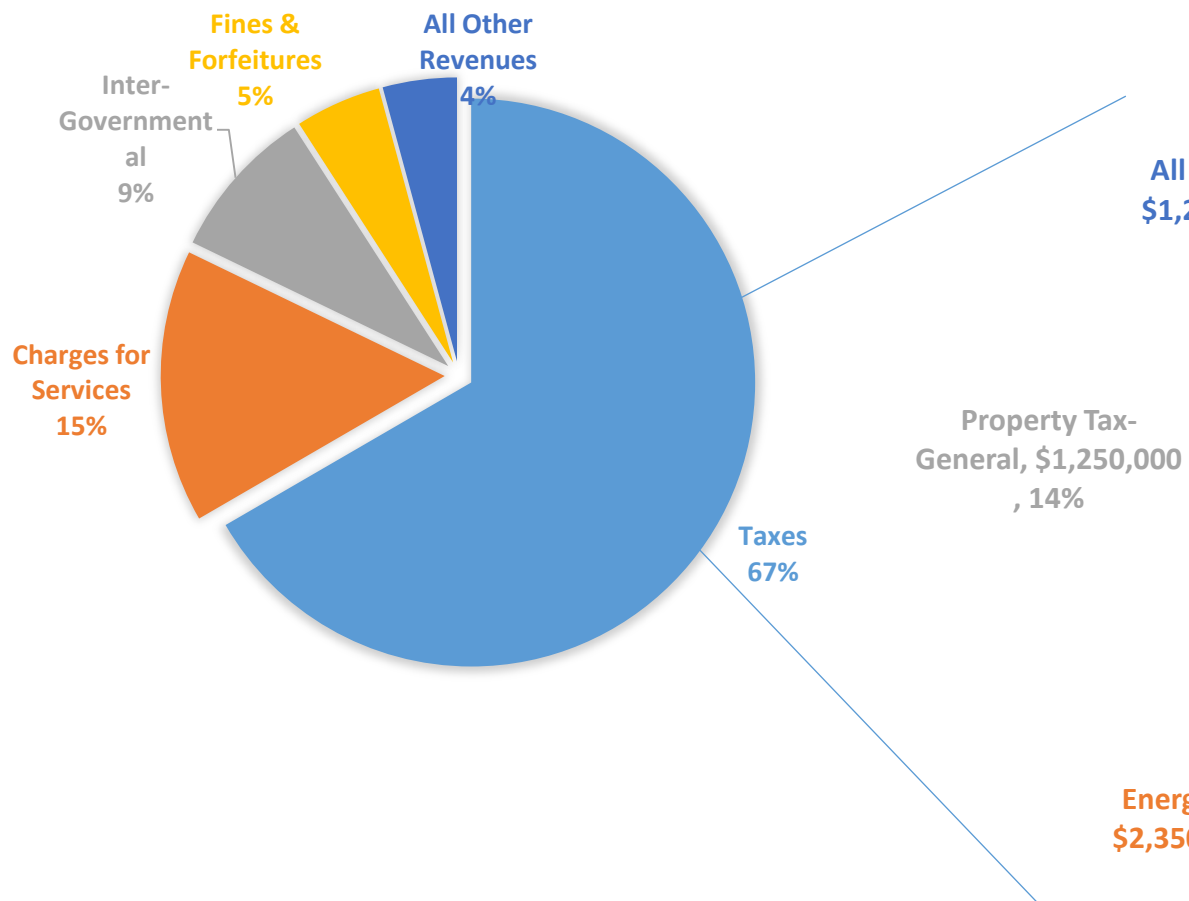
# FY17 Budgeted - Top Revenue Sources (All Funds)



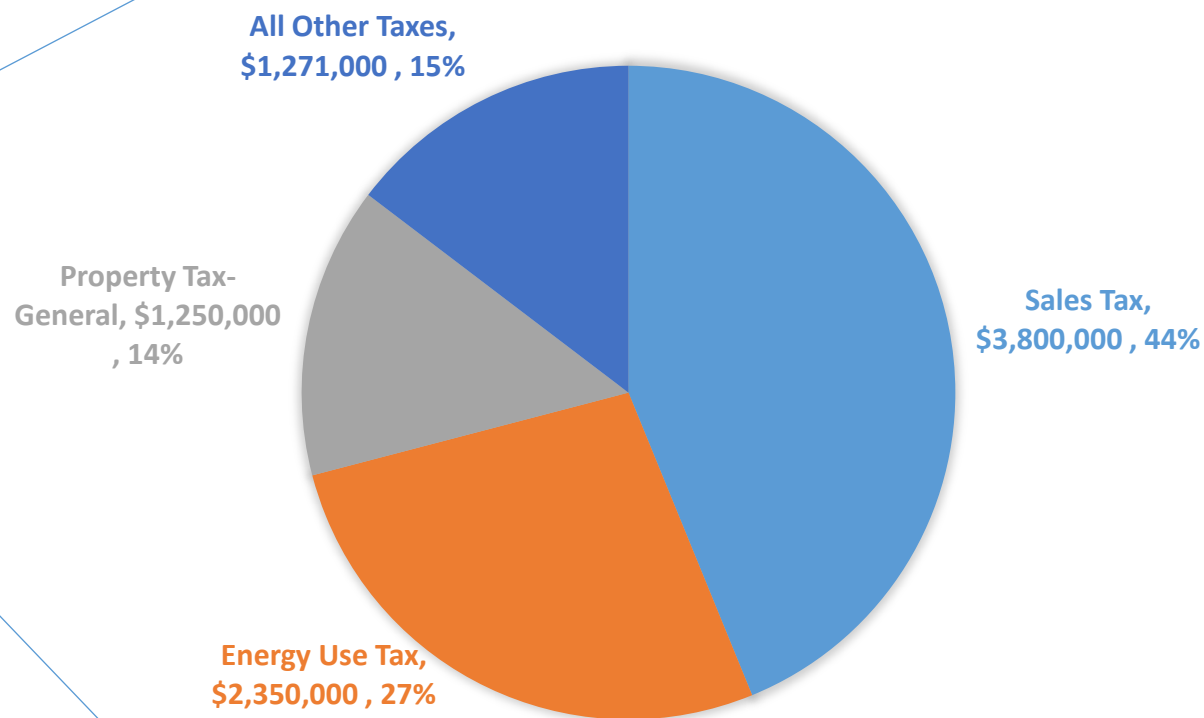
# General Fund Revenues



# General Fund Revenues



## TAX REVENUE

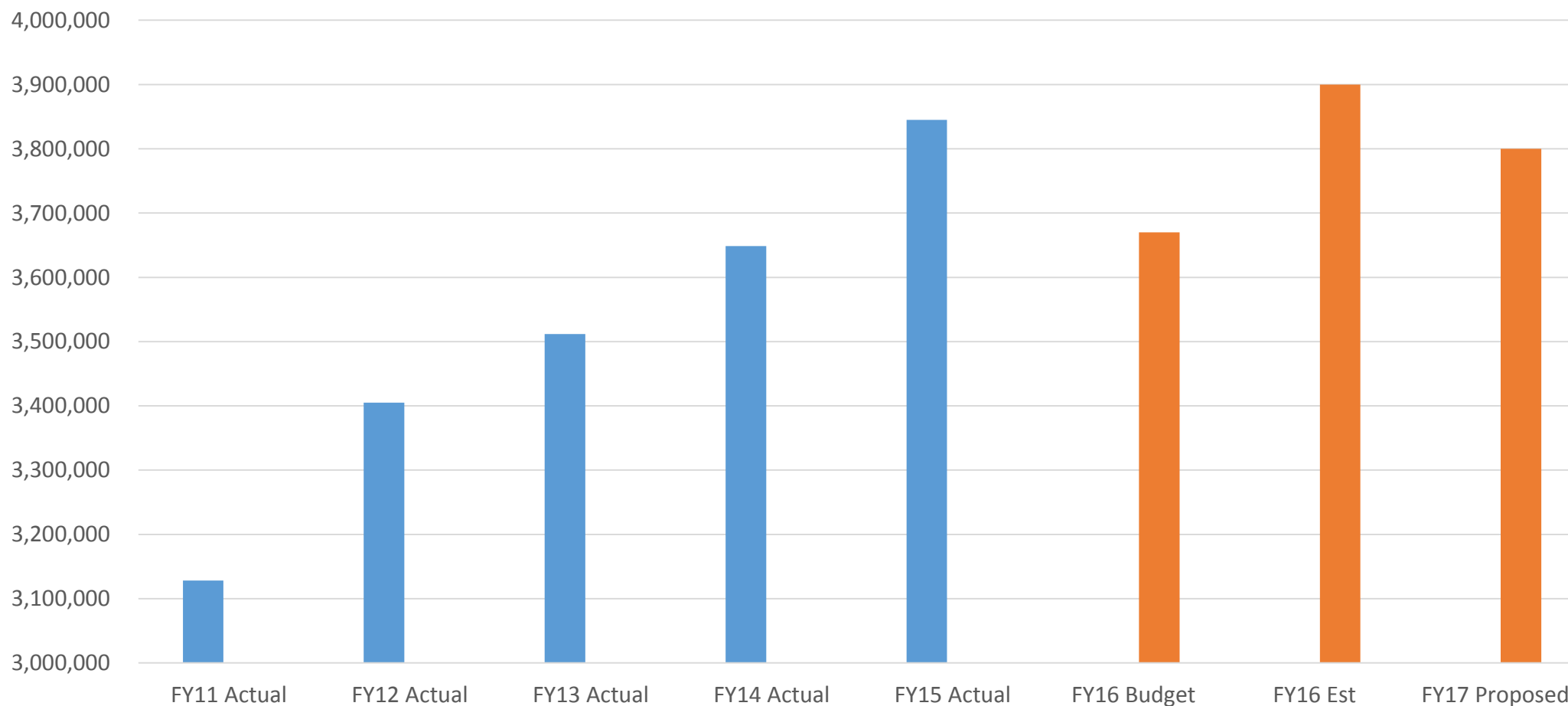


# General Fund Revenues Historic Summary



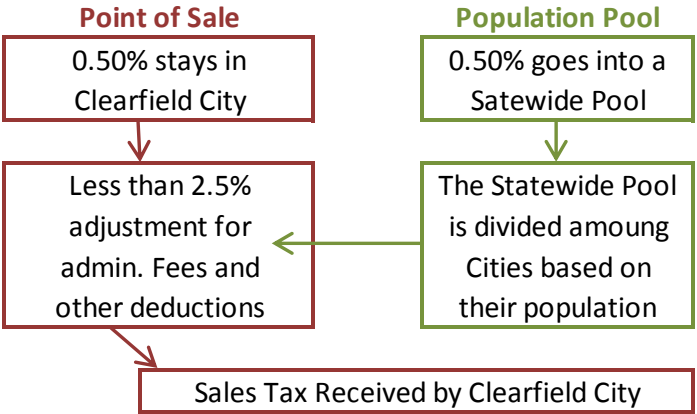
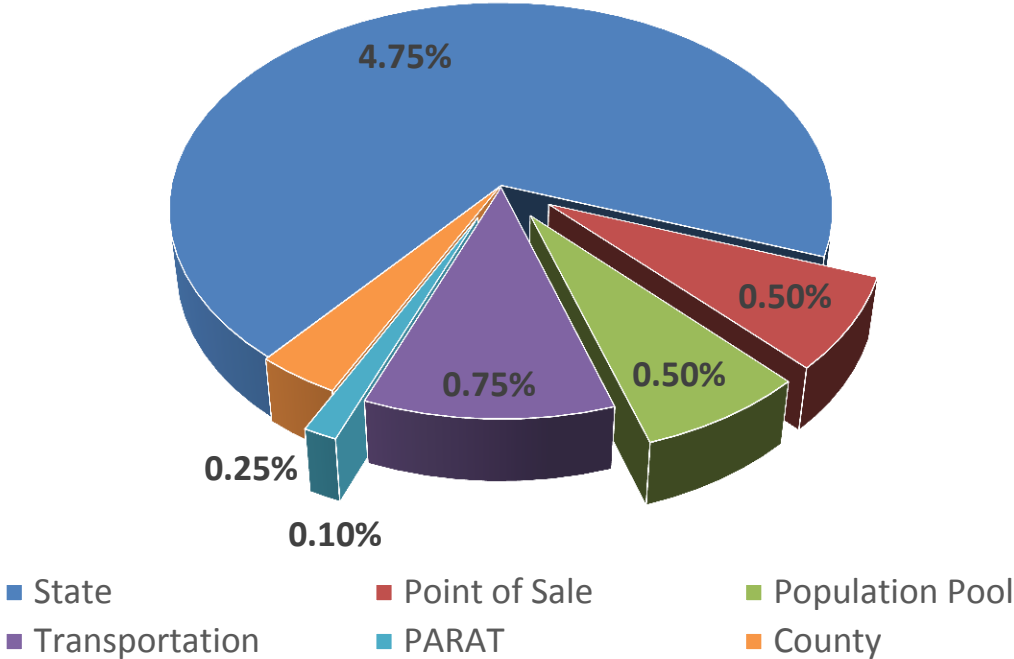
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# Governmental Revenue-Sales Tax



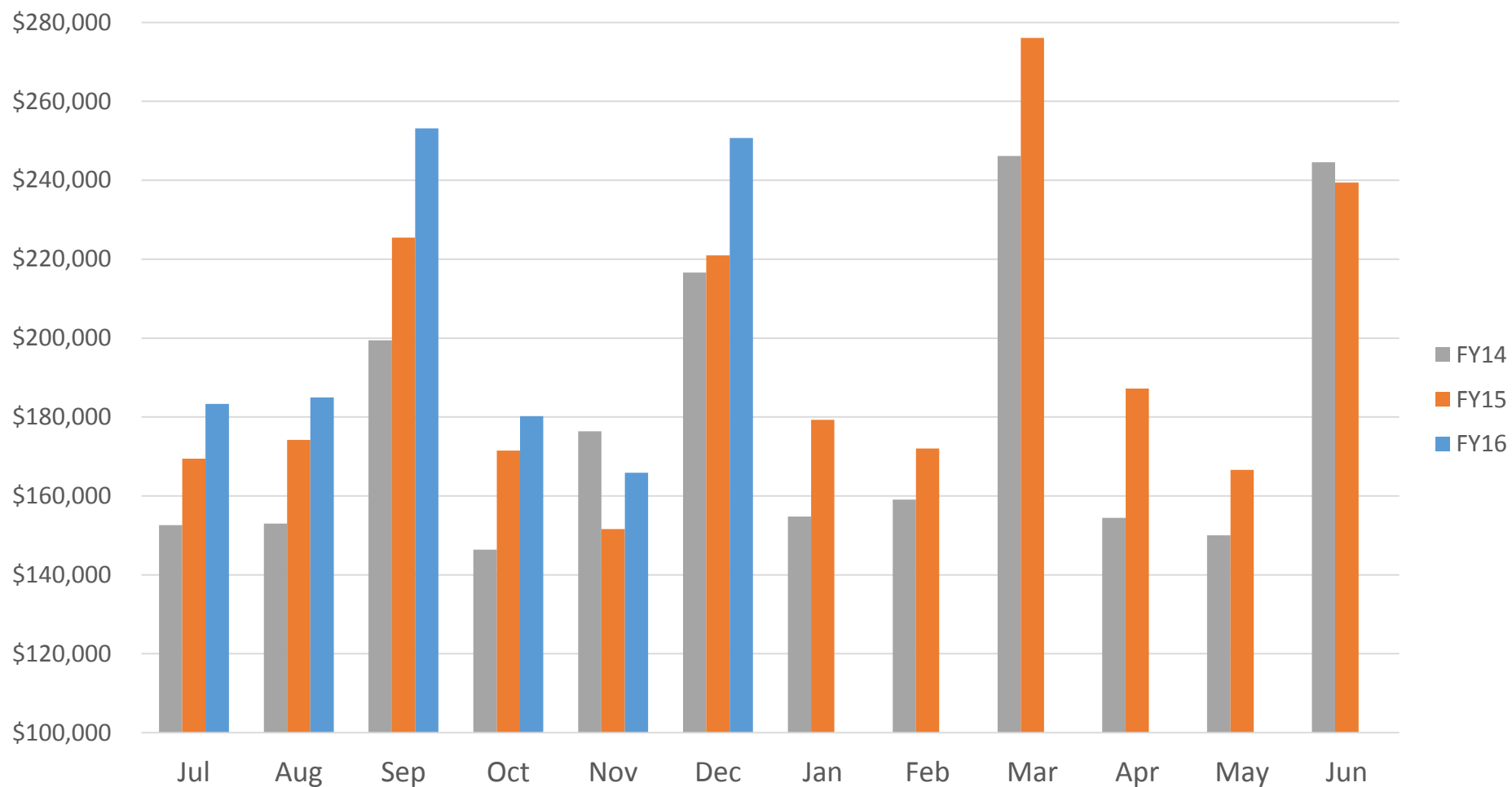


6.85% is collected on all applicable sales in Clearfield City

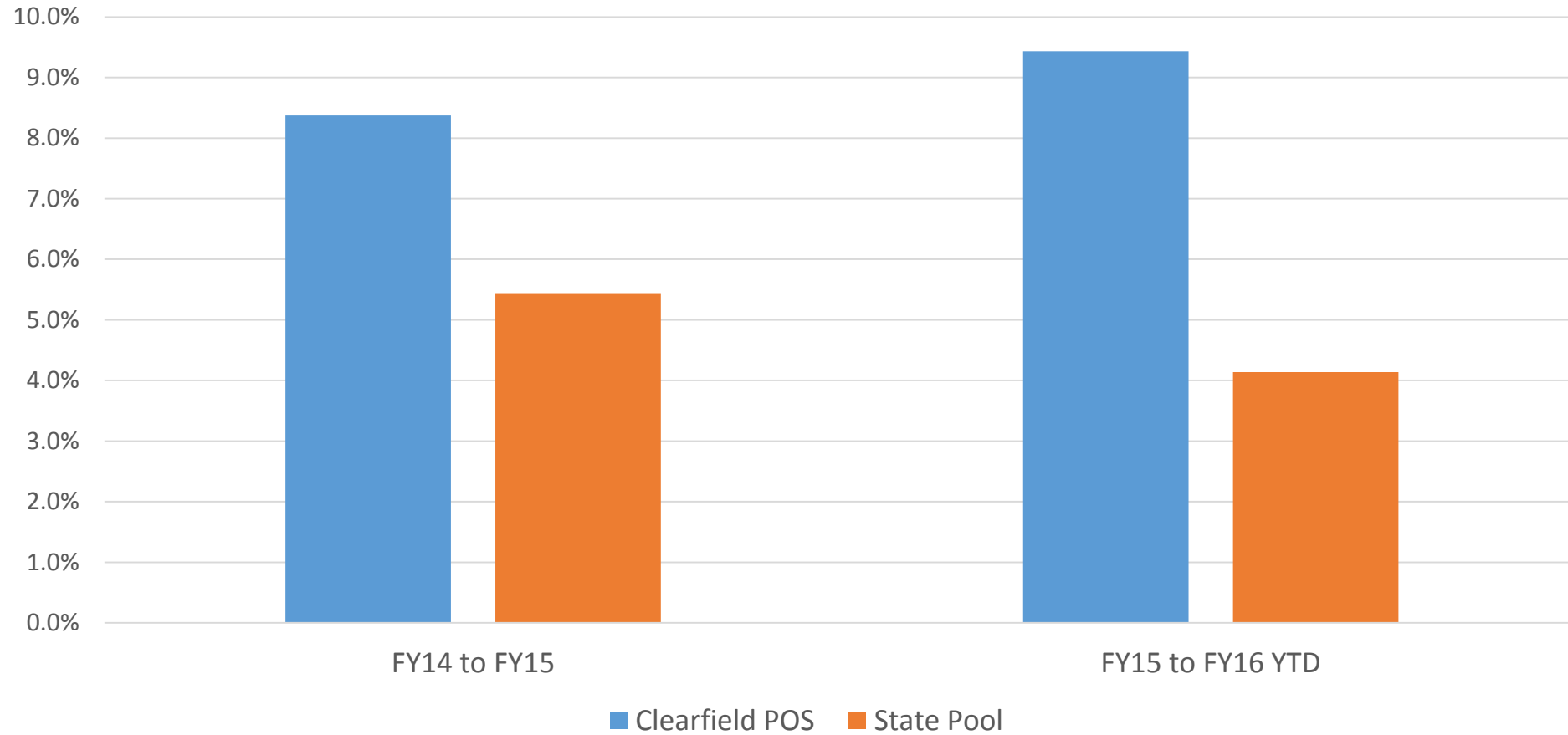




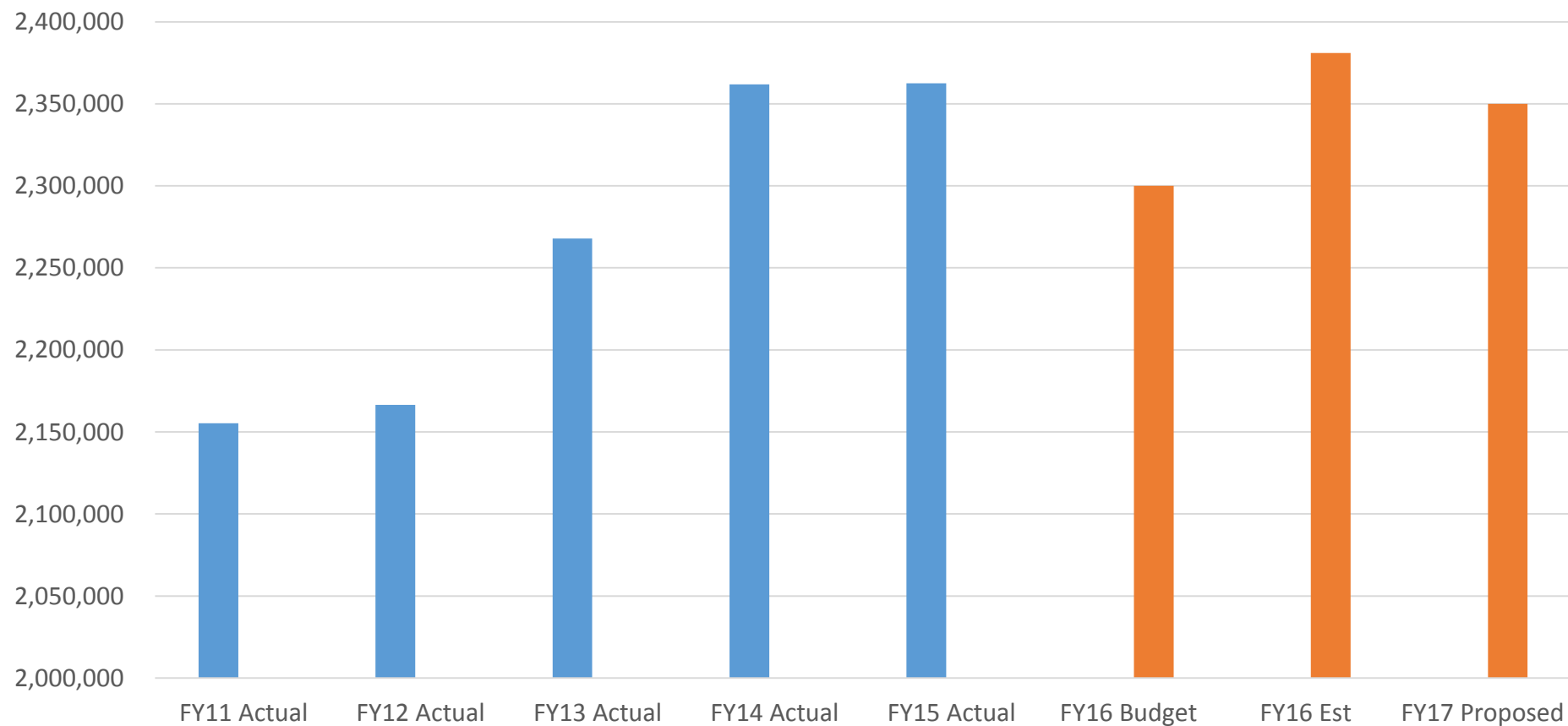
# Clearfield Point of Sale Trends



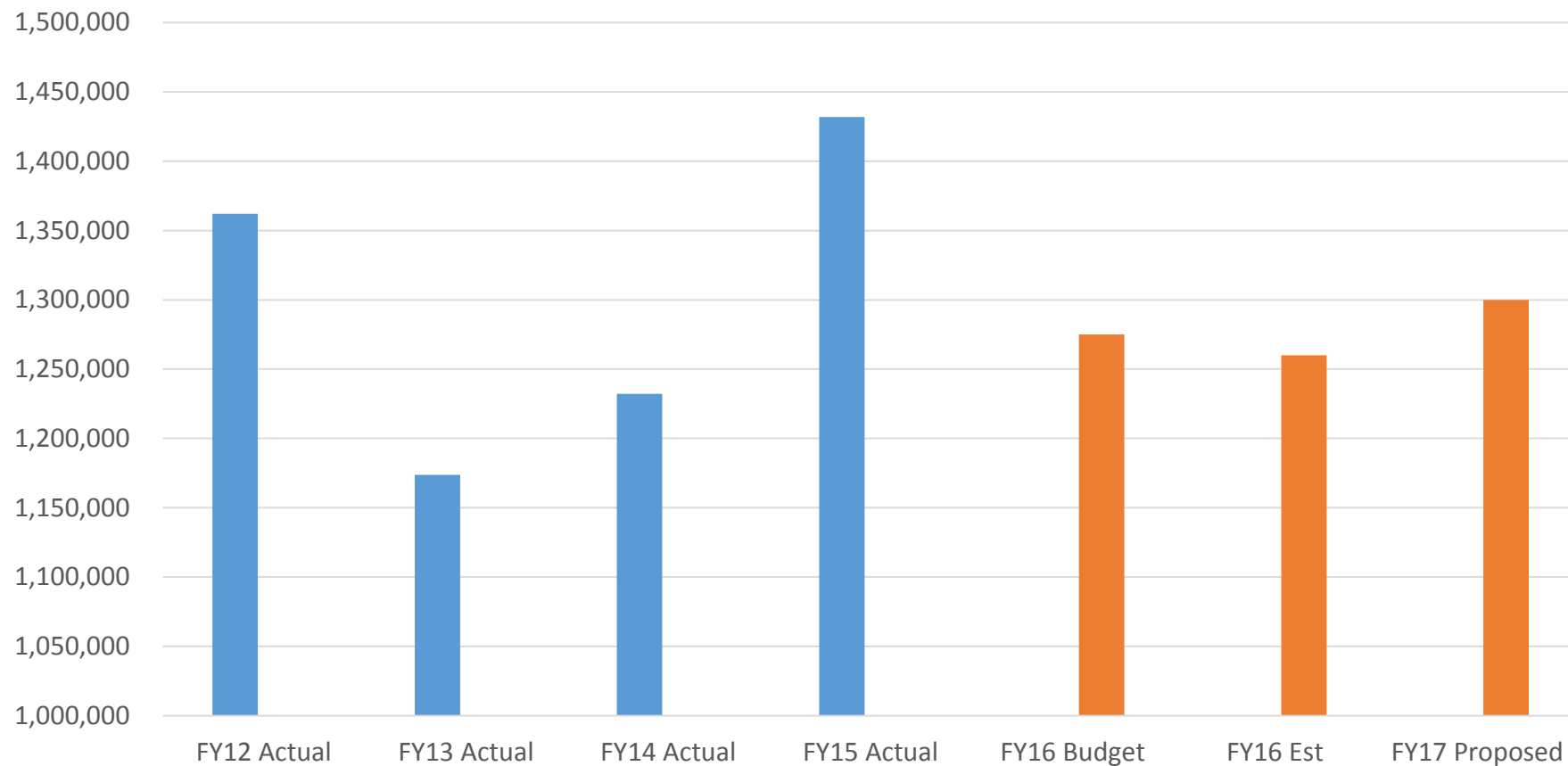
# % Change in Sales Prior Year



# Governmental Revenue-Energy Use Tax 6%



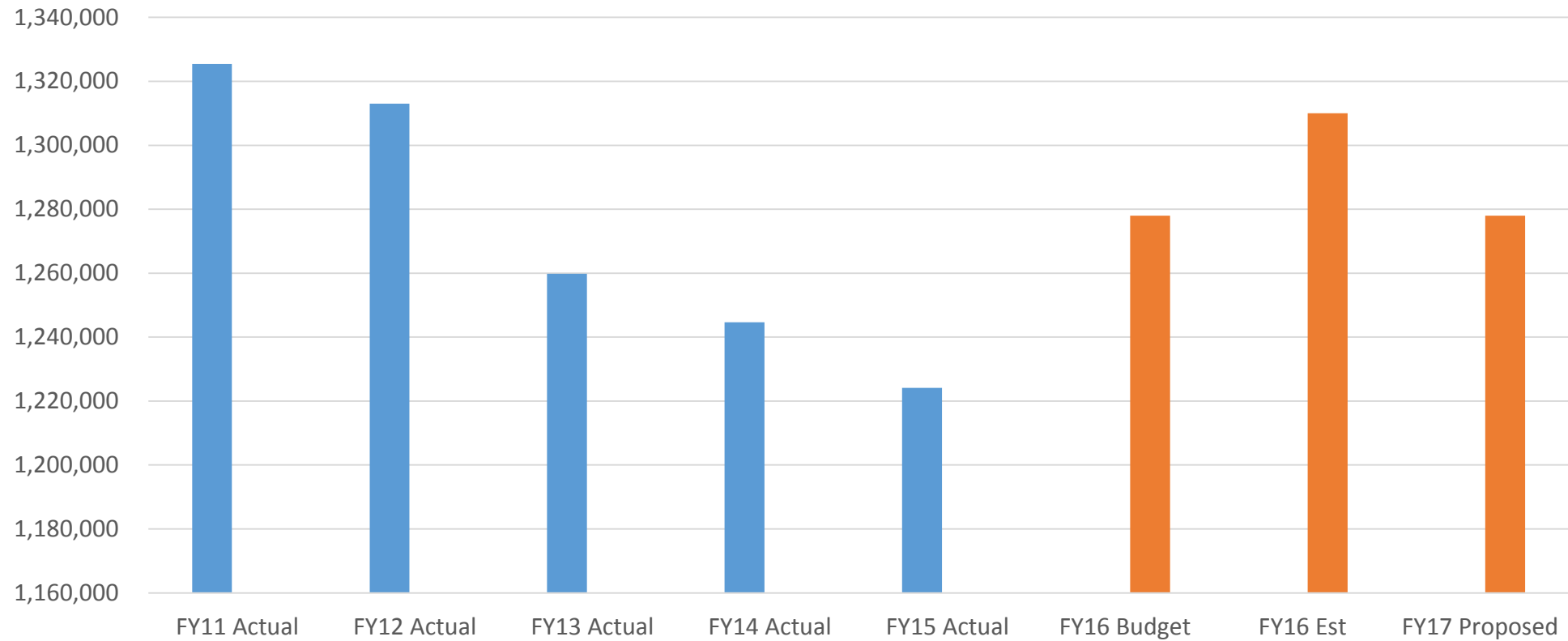
# Governmental Revenue-Property Tax



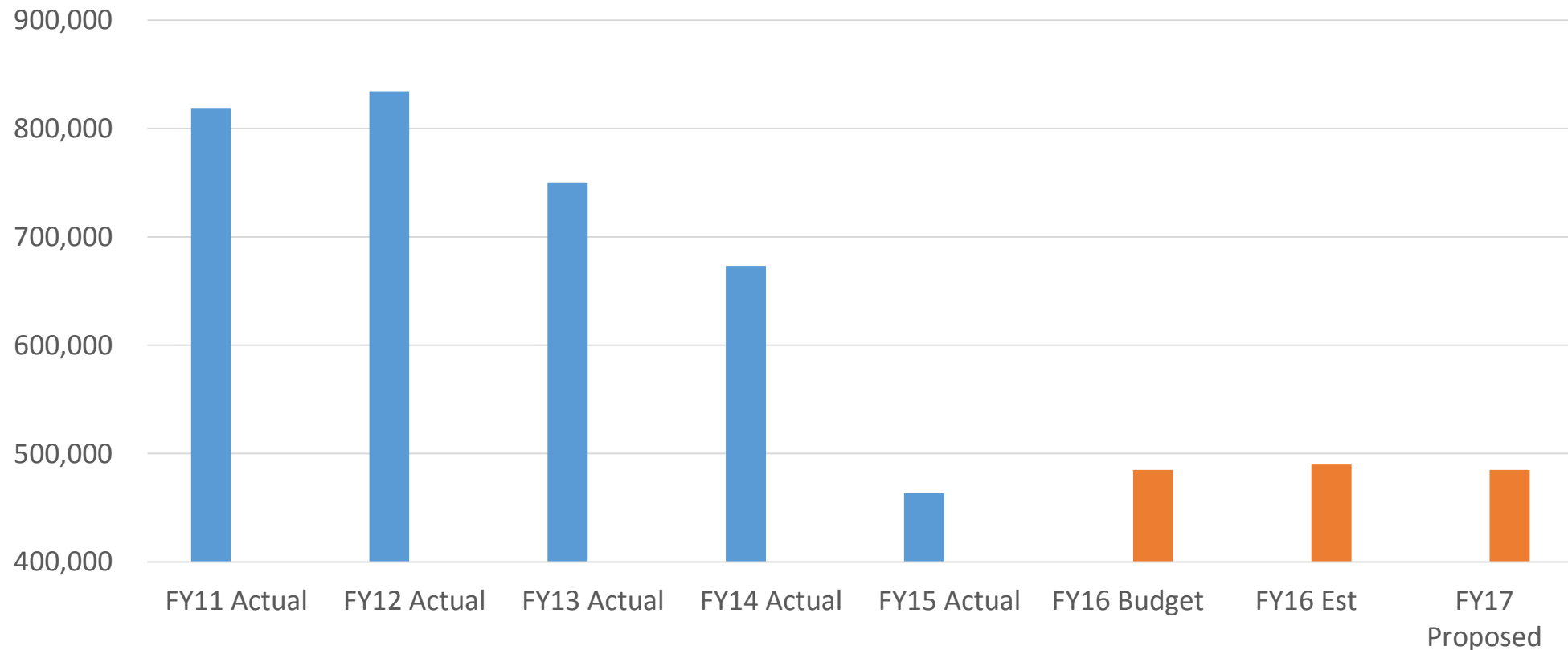
# Governmental Revenue-Property Tax Rate History



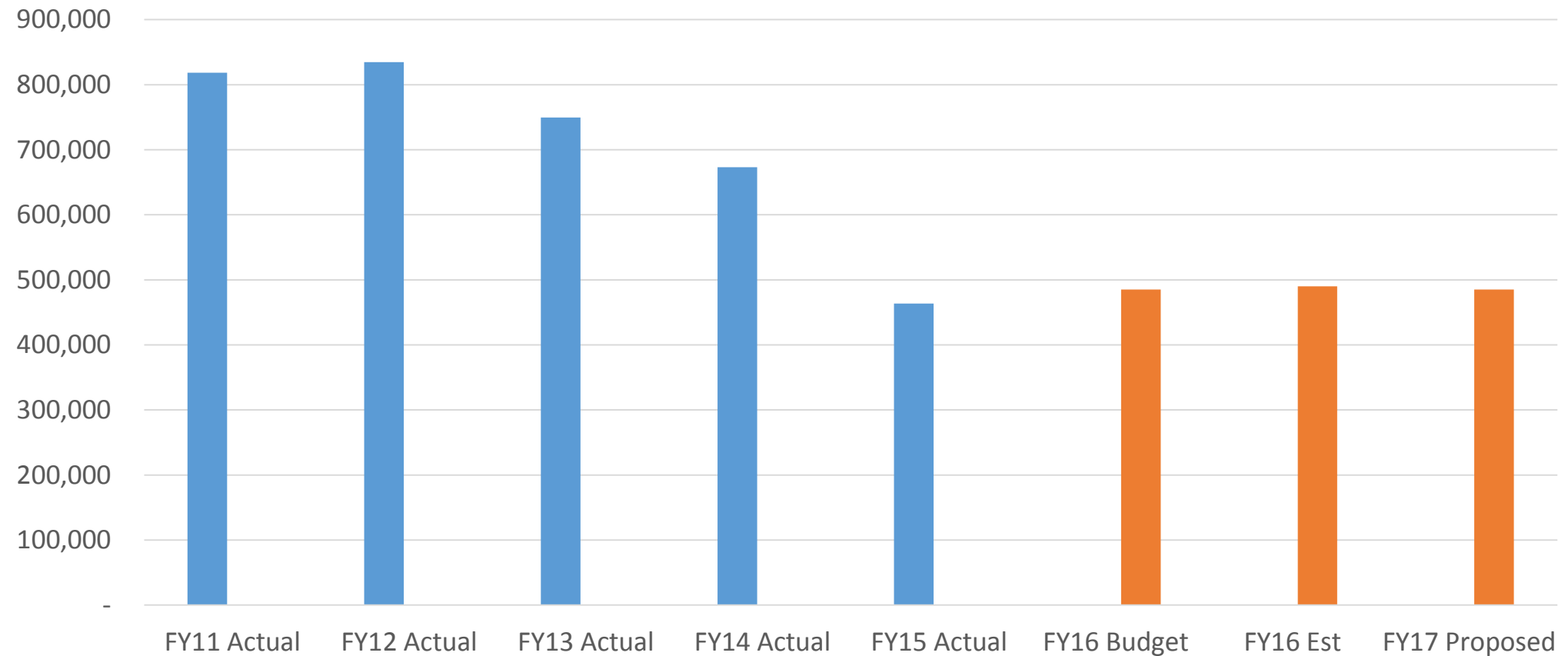
# Governmental Revenue-Aquatic Center



# Governmental Revenue-Fines/Forfeitures

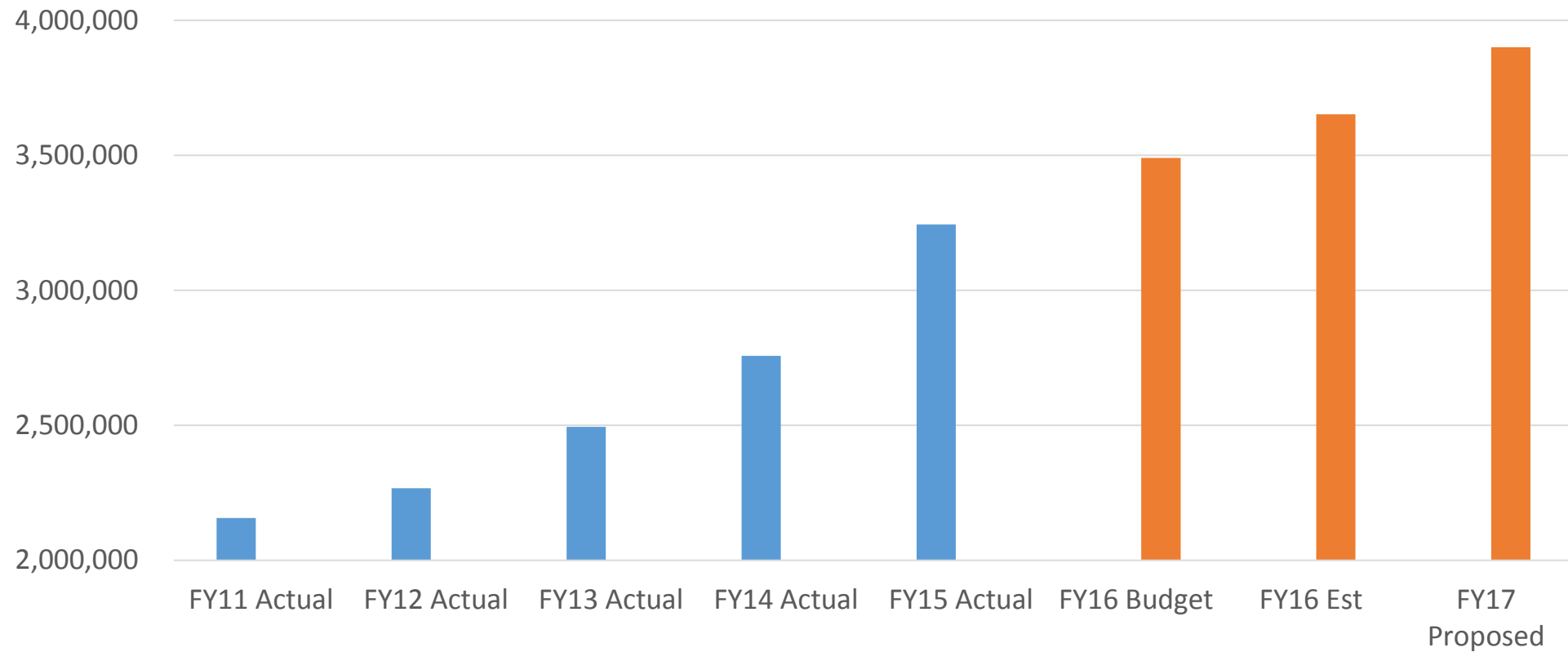


# Enterprise Revenues-Water Charges





# Enterprise Revenues-Sewer Charges



# Street Funding

- Capital plan recommends \$500k per year in surface treatment
- Maintenance of effort \$263,935

Street Funding Per Year	FY16	FY17
<b>Revenues</b>		
Class C Roads	\$ 887,000	\$ 950,000
Prop 1		\$ 330,000
<b>Total Rev</b>	<b>\$ 887,000</b>	<b>\$ 1,280,000</b>
<b>Expenses</b>		
Streets Operating Exp	\$ 350,891	\$ 414,085
Debt Service	\$ 279,044	\$ 278,163
Surface Treatment	\$ 300,000	\$ 200,000
Street Reconstruction	\$ 221,000	\$ 729,000
<b>Total Exp</b>	<b>\$ 1,150,935</b>	<b>\$ 1,621,247</b>
<b>Net</b>	<b>\$ (263,935)</b>	<b>\$ (341,247)</b>

# Major New Capital Projects

- \$3.9 million-Maintenance and Operation Center Ph 2
  - Split between General, Water, Sewer, Storm, Garbage
  - General fund's portion is phased half in FY17 and half FY18
- \$1.275 million-700 S, 1000 W to 1500 W
  - \$665k general fund, \$310k Storm, \$275k Water
- \$400k – Financial & Community Development Software Upgrade
  - \$240k General, \$40k each Water, Sewer, Storm, Garbage
- \$300k – Storm Project-Freeport “H” Street, 3<sup>rd</sup> St to 5<sup>th</sup> St
- \$125k – Steed Ballfield Electrical
- \$120k – Customer Service Center– General Fund

# Currently Unfunded Projects

- Natatorium Lights - \$120k General Fund
  - ~4 year payback
- Play Pool Structure - \$125k General Fund
- Street Lights LED - \$442K General Fund
  - 5 year payback includes \$25k per maintenance
- Building Maintenance Set Aside - \$50k General Fund